

**EXHIBIT 4**

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*Detective Fired in Aftermath Of New York Police Inquiry The New York Times September 24, 2004 Friday*

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September 24, 2004 Friday  
Late Edition - Final

**SECTION:** Section B; Column 2; Metropolitan Desk; Pg. 1

**LENGTH:** 916 words

**HEADLINE:** Detective Fired in Aftermath Of New York Police Inquiry

**BYLINE:** By WILLIAM K. RASHBAUM

**BODY:**

A veteran narcotics detective who was about to retire with a lucrative disability pension was fired late last month after the Police Department concluded that he had helped another detective steal \$250,000 in drug money in 1995, according to officials and documents. The theft was one of a series of crimes uncovered in a broad corruption investigation that began late last year.

The detective, **Luis Nieves-Diaz**, got \$65,000 to \$70,000 for his role in the theft, and the balance was split with the other detective, Julio C. Vasquez, and several drug dealers, according to a report of the internal department hearing that resulted in a recommendation that he be fired. Mr. Vasquez was arrested in December 2003, along with a retired detective, after they were caught on videotape in the midst of a similar theft in Queens, in which they stole \$169,000 from a drug courier, according to court papers; he resigned a short time later.

Mr. Vasquez and the retired detective, Thomas Rachko, did not realize that the courier in that theft was dropping off the money to an undercover detective as part of a money-laundering sting -- all of it recorded by a federal task force's surveillance cameras -- and their arrests have led to the biggest police corruption case in New York in a decade. Both men began cooperating with federal prosecutors a short time later, and they have implicated as many as 10 other current and former supervisors and officers, including Detective Nieves-Diaz, in a web of corruption that stretches back nearly 10 years, officials have said.

The two men told prosecutors that the other officers, most of whom had served at one time or another in the same narcotics unit, the Northern Manhattan Initiative, took part in crimes like stealing drug money and drugs and reselling the drugs, officials have said.

Mr. Vasquez and Mr. Rachko have both pleaded guilty to federal drug conspiracy charges, for which they could face 21 to 27 years in prison. They have also signed cooperation agreements with federal prosecutors in the hopes that the information they provide will earn them shorter sentences, people with knowledge of the terms of the agreements have said.

The overall corruption investigation, which is being conducted by the office of Roslynn R. Mauskopf, the United States attorney in Brooklyn; the Police Department's Internal Affairs Bureau; and the F.B.I., is continuing, officials said.

Detective Nieves-Diaz, 48, was fired Aug. 27 after a departmental trial, based largely on the testimony of an Internal Affairs investigator, Sgt. Francis Teran, who has interviewed Mr. Vasquez about his crimes three or four times and described the theft, according to the report summarizing the evidence presented at the hearing. Police Commissioner Raymond W. Kelly approved the findings of the hearing officer, John Grappone, an assistant deputy commissioner of trials, but there was no announcement of Detective

Nieves-Diaz's firing. Inspector Michael Coan, a police spokesman, would not discuss the ruling, citing the broader corruption investigation. A spokesman for Ms. Mauskopf also declined to comment.

Officials said Detective Nieves-Diaz would forfeit his tax-free disability pension, which would have been worth more than \$1 million over 20 years.

The detective, who recently underwent triple bypass surgery, testified at the hearing and denied wrongdoing. He has not been charged with any crime; the statute of limitations for federal charges in the theft -- five years -- has run out, officials said. His lawyers, Bruce Wenger and John Arlia, said he was not involved in any theft and criticized the Police Department for firing him based on Sergeant Teran's hearsay testimony about Mr. Vasquez's statements.

"We strongly disagree with the commissioner's decision to end the career of a veteran detective of 18 years and a former marine solely upon the uncorroborated hearsay testimony of an admitted criminal and disgraced detective in the face of our client's adamant denial of any criminal wrongdoing," Mr. Wenger said yesterday.

Hearsay testimony, while not allowed in criminal trials, is admissible in the department's administrative trials, where the standard of proof is a preponderance of evidence, rather than beyond a reasonable doubt.

Sgt. Teran, according to the report, testified that Mr. Vasquez described a 1995 theft, saying that he and Detective Nieves-Diaz had stolen the money after watching a courier, who had placed the money in a black bag in the trunk of a car, deliver the car to two Colombian drug dealers outside a fast-food restaurant in Queens. The two detectives, both wearing raid jackets and driving a black car that resembled an unmarked police vehicle, followed one of the dealers who left in the car, and pulled him over in a mock car stop, Mr. Vasquez told the sergeant.

Mr. Vasquez said they took the money and went to the home of Detective Nieves-Diaz's girlfriend in the Bronx, where they split up the money in the bathroom, according to the report. Sergeant Teran testified that Mr. Vasquez's statements were credible because he had provided accurate information in the past.

Sergeant Teran said Mr. Vasquez had admitted that he and Mr. Rachko had robbed cocaine, heroin and cash from drug dealers approximately 15 times, from 1995 until their arrest last year, according to the report. Mr. Vasquez turned the drugs over to another person with instructions to sell them and received money from the sales, the report said.

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**EXHIBIT 5**

October 6, 2006

## Ex-Detective Turned Drug Dealer Gets 6-Year Prison Sentence

By WILLIAM K. RASHBAUM

A corrupt former detective who was arrested in 2003 after he and his retired partner were caught on videotape stealing \$169,000 from a drug courier was sentenced yesterday to six years in federal prison. He had faced nearly 22 years for stealing and reselling cocaine over five years.

The judge in the case, Carol B. Amon, of United States District Court in Brooklyn, handed down the sentence after listening to anguished remarks from the former detective, Julio C. Vasquez. Mr. Vasquez resigned from the Police Department days after he and his former partner, Thomas Rachko, were arrested on Nov. 27, 2003, on charges they robbed the courier. Mr. Vasquez began cooperating with federal authorities a short time later.

Standing before the judge, Mr. Vasquez, 46, dressed in a dark gray suit and a maroon tie, called his own acts reprehensible and acknowledged that he had violated the public trust and his oath of office "for no logical reason other than greed, avarice and an egotistical attitude."

He added: "I just became greedy, I became obsessed with acquiring things and that took me down this horrible path that I find myself on today." He said he had caused tremendous suffering for his wife and four children. His distraught wife sat in the courtroom gallery, at times crying during the proceeding.

After Mr. Vasquez's statement, Judge Amon asked him what had caused him to "go so wrong."

"I wish I could go back and I wish I could make things right, but unfortunately I can't," he said, wiping away a tear. "I realize what I have done is horrible, there is no excuse for it — there is absolutely no excuse for it. I know I should be punished for my actions, I deserve to be punished and I expect to be punished."

Mr. Vasquez, who was assigned to the elite Firearms Investigation Unit, pleaded guilty in April 2004 to one count of conspiracy to possess and distribute five or more kilograms of cocaine. He and Mr. Rachko were accused of stealing and selling roughly 100 kilos of cocaine, and Mr.

Vasquez returned to prosecutors more than \$740,000 in cash from his crimes, money he kept stashed in a self-storage locker. Judge Amon called Mr. Vasquez's crimes "extraordinarily serious," saying he used his position as a police officer to steal drugs, steal money and let drug dealers go free.

"There is nothing more serious than police officers who engage in this conduct and dishonor the badge," she said. "To me, it's more serious than drug dealing by a drug dealer."

Eric Franz, a lawyer who, along with Steven Brill, represented Mr. Vasquez, made a forceful argument to the judge.

He contended that she should take into account not only that the former detective cooperated with prosecutors, but also that the sentencing guidelines in his case — 210 to 262 months — were driven so high by his client's own statements and admissions to prosecutors.

The judge acknowledged the point, which was also made by the prosecutor in the case, Adam Abensohn, who filed a letter enabling her to sentence Mr. Vasquez to a term below the guidelines — and below the mandatory 10-year minimum for the crimes — because of his cooperation.

Ten current and former officers were implicated in the case after Mr. Vasquez and Mr. Rachko were arrested, prompting a sweeping corruption inquiry. But only two others have been charged criminally. All four pleaded guilty.

Mr. Rachko and a retired lieutenant, John Maguire, who the judge suggested played more of a leadership role in the crimes, are to be sentenced next week. Another former detective, Carlos Rodriguez, was sentenced to two years on money-laundering charges.

One other detective, Luis Nieves-Diaz, was fired as a result of the investigation, and the Police Department is seeking to fire another, Eric Wolfe, who has been accused of stealing drugs with Mr. Vasquez and committing perjury.

Mr. Franz said that his client would have considered a 10-year prison term a victory "because he had utter disdain for his own conduct."

"We're relieved that Judge Amon delivered upon him a sentence that will enable him to return to his wife and family before the glory years of his life are behind him," he said.

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**EXHIBIT 6**



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*Ex-Detective Is Given 7-Year Prison Term, Ending Investigation in Drug Money Case The New York Times  
October 14, 2006 Saturday*

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**SECTION:** Section B; Column 3; Metropolitan Desk; Pg. 1

**LENGTH:** 826 words

**HEADLINE:** Ex-Detective Is Given 7-Year Prison Term, Ending Investigation in Drug Money Case

**BYLINE:** By WILLIAM K. RASHBAUM

**BODY:**

In a Brooklyn courtroom packed with his family, friends and neighbors, a retired police detective who had admitted to stealing roughly \$800,000 from drug dealers delivered a tormented apology yesterday, moments before a judge sentenced him to seven years in federal prison.

Sobbing as he described how a voracious gambling addiction drove his thefts and led to a separation from his wife, the detective, **Thomas Rachko**, 48, also spoke of his two sons, 11 and 13 years old, who were not in court.

He said the boys had read many times of his successes during his 20-year police career, only "to be forced because of my hideous actions to read about my disgusting behavior."

"I just can't believe I did what I did to them," Mr. Rachko told Judge Carol B. Amon of United States District Court in Brooklyn.

A big man with close-cropped silver hair, he rubbed his hand over his face as his voice quavered.

"I am so sorry, but by the same token, your honor, I am here today to be punished," he said. "I deserve to be punished. What I did was horrendous. I can't believe I did it, but it is deserving of punishment."

Mr. Rachko, who retired from the Police Department in 2002, had faced life in prison on narcotics conspiracy charges arising from his significant role in the department's biggest scandal in a decade. His sentencing brought the criminal investigation to a close.

He was arrested on Nov. 26, 2003, just hours after he and his old partner, Julio C. Vasquez, were captured on videotape stealing \$169,000 from a drug money courier. He began cooperating with the authorities almost immediately, and the theft unraveled a web of corruption -- thefts of drug money and drugs that Mr. Vasquez helped sell for cash. As many as 10 current or retired police detectives and supervisors were implicated.

Mr. Rachko, who before he retired was assigned to the Northern Manhattan Initiative, a narcotics unit that focused on drug dealers in Harlem and Washington Heights, spent his drug plunder betting on horses. He sometimes collected his illicit take right outside Off-Track Betting parlors so he could go back in and gamble some more.

But he stressed to the judge that he was not seeking to lessen the gravity of his crimes by citing his addiction.

"I do not use gambling as an excuse for what I did, your honor," he said. "I knew when I did what I did I was doing wrong, and I was breaking the law. I just did not have the courage or the proper mind-set to stop. I knew because of the fact that for most of my years I was a good detective, I knew that I was going to get caught. But I just could not control myself."

He told the judge that his gambling addiction placed a tremendous burden on his family. He also apologized to his community, a Bronx neighborhood, whose residents turned out with his family to support him, filling every seat on the courtroom's polished wooden benches. He said he never bought anything for himself, adding that the dark gray suit in which he was sentenced was given to him as a gift 10 years ago.

"Yes, I was greedy for that money," he said. "Almost like a -- a junkie would be for a bag of heroin. I just wanted that money to gamble."

His lawyer, Jeffrey Lichtman, had pleaded with the judge to look at some of the positive things Mr. Rachko had done, citing his work as a detective before he began committing crimes, and his extensive volunteer work in the Bronx.

The prosecutor, Adam Abensohn, an assistant United States attorney, said some of his colleagues had known Mr. Rachko before his arrest, and "liked him, trusted him and believed him."

Before pronouncing sentence, Judge Amon called his crimes a "horrible breach of the public trust." But she noted that he was remorseful and had cooperated, as detailed in a prosecution letter that enabled her to mete out a lighter sentence than the statutory minimum of 10 years and the maximum life term advised by sentencing guidelines.

The proceeding yesterday brought to an end the three-year investigation by the El Dorado Task Force, the anti-money-laundering unit of Immigration and Customs Enforcement of the Department of Homeland Security that videotaped the \$169,000 theft, and by F.B.I. agents and the police Internal Affairs Bureau investigators.

Mr. Vasquez was sentenced to six years in prison. John Maguire, a retired lieutenant, was sentenced to 14 months, and Carlos Rodriguez, a former detective, was sentenced to two years. Another detective was fired after a police administrative hearing, and the department is seeking to fire two more.

After the sentencing, an F.B.I. agent who worked on the case shook Mr. Rachko's hand. Then, the retired detective, who will keep his police pension and pay a \$10,000 fine after serving his prison term and five years of supervised release, walked into the courtroom gallery and held his wife in a long embrace as both wept. He then hugged several supporters who had filled the benches.

**URL:** <http://www.nytimes.com>

**GRAPHIC:** Photo: At his sentencing, **Thomas Rachko**, a retired detective, sobbed and apologized for stealing about \$800,000 in drug money. (Photo by Michael Nagle for The New York Times)

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